

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 914 - HB 1236

March 24, 2011

SUMMARY OF BILL: Authorizes a judge to dismiss a citation for violation of the Tennessee Financial Responsibility Law (TFRL) if the person obtains insurance prior to the court date.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,388,000

Decrease Local Revenue – \$32,000

Assumptions:

- According to the Department of Safety (DOS), in FY07-08 there were 16,000 charges reported to the Department that were dismissed, as authorized at the time, when the person obtained insurance prior to the court date, but was not in effect on the date of the violation.
- DOS estimates 75 percent of those drivers reinstate their license annually for a fee of \$65. These drivers would no longer have their license suspended for violation of the TFRL; therefore, fewer reinstatements will occur. A recurring decrease in state revenue of \$780,000 (16,000 dismissals x 75% x \$65).
- An average fine of \$50 for violations, with an 80 percent collection rate.
- A decrease in fine revenue of \$640,000 (16,000 dismissals x \$50 average fine x 80%).
- Five percent is paid to local governments for court clerk commissions.
- A recurring decrease in local government revenue of \$32,000 (\$640,000 x 5%).
- A recurring decrease in state revenue of \$608,000 (\$640,000 - \$32,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/jaw